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للإعلان Advertising



**Remuneration Policy for
BOD Members
Sub-Committees' Members
and the Executive Management
of
Tihama Advertising, Public Relations & Marketing Company
and Its Subsidiaries
2023**

Classification List:

	The Concerned Department	The Company	The Purpose
1	Remunerations & Nominations Committee	Tihama Advertising Co.	Establishing & Auditing
2	Auditing Committee	Tihama Advertising Co.	Auditing
3	the Board of Directors	Tihama Advertising Co.	Approval
4	The General Assembly	The General Assembly	Approval

Notice:

– Errors and Omissions:

If you found any errors and omissions, kindly submit consultation via the email: (compliance@tihama.com), along with a brief description of the problem, where it is found in the document, and your contact details.

– Confidentiality:

This document contains private and confidential information concerning Tihama Advertising, Public Relations & Marketing Company and its subsidiary companies, the access level to the above document was

– Discrepancy:

If this Policy has discrepancy, Corporate Governance Regulation issued by The Capital Market Authority (CMA) Board, under Resolution No. 8-6-2017, Dated 16/05/1438H., corresponding 13/02/2017, upon Companies Law issued under Royal Decree No. (D/3) Dated 28/01/1437H, amended by Capital Market Authority (CMA) Board Resolution No. 1-94-2022, Dated 24/01/1444H., corresponding 22/08/2022, shall be applicable.

1. Introduction

The company Articles of association determines the number of the Board of Directors' members, on that it shall not exceed (7) members and shall not be less than (5) members on a continuous basis. Remunerations' Policy of directors, sub-committees' members, and the executive management in Tihama Company was developed, pursuant to Clause (1) of Article (61) of Corporate Governance Regulation issued by The Capital Market Authority (CMA) Board, stipulating that among the terms of reference of Remunerations & Nominations Committee is "developing a clear Remunerations' Policy of directors, sub-committees' members, and the executive management and referring it to the Board of Directors for discussing it to be approved by the General Assembly".

2. Remunerations' Policy

- 2.1 With no prejudice to the provisions of Companies Law and the Capital Market Authority (CMA) Law and the executive regulations thereof, the following shall be considered in Remunerations' Policy:-
 - 2.1.1. It shall be consistent with the company strategy and objectives.
 - 2.1.2. Remunerations shall be provided for urging the Directors and the executive management to make the company successful and develop it in the long run, such as linking the variable part of remunerations to long-term performance.
 - 2.1.3. Remunerations shall be determined upon the job level, duties and responsibilities assigned to the person occupying it, scientific qualifications, practical experiences, skills and performance level.
 - 2.1.4. It shall be consistent with the amount, nature and degree of the company risks.
 - 2.1.5. Taking into consideration the practices of the other companies in determining remunerations, and avoiding any unjustifiable increase of remunerations and compensations resulting from that.
 - 2.1.6. It shall aim at attracting the professional competencies, maintaining and motivating it, with no exaggeration.
 - 2.1.7. It shall be prepared on new appointments.
 - 2.1.8. The cases of suspending or refunding remunerations: if it is pointed out that it was decided upon inaccurate information provided by a member of the

Board of Directors and the executive management, in order to prevent exploiting the position status for getting undue remunerations.

- 2.1.9. Organizing granting the company shares to the members of the Board of Directors and the executive management, whether it is a newly-issued share or shares purchased by the company.

3. Directors' Remunerations

In general, the Directors' Remunerations shall be subject to the approval of the General Assembly

- 3.1 The Directors' Remunerations in Tihama Company consist of a certain amount and allowance for attending sessions, expenses, in-kind allowance, or a percent from profits. It shall be permissible to give two or more of these allowances, provided that it shall not exceed what was stipulated under Companies Law. The Board of Directors shall annually determine its members' remunerations upon the recommendation of Remunerations & Nominations Committee, pursuant to the provisions mentioned in the company Articles of association or any other laws issued by the competent authorities.
- 3.2 The board member shall be paid an allowance for attending each meeting of the Board of Directors meetings equals an amount of SAR (5000)., in addition to an allowance for the expenses of travelling, stay, air-tickets and transportation of the members outside the city where the company head office is located.
- 3.3 Upon a recommendation of the Remunerations Committee, the Board of Directors shall determine additional cash and in-kind remunerations, as it views proper, whereas the minimum recommendation of the board member shall be SAR (150000)per annum, according to the restrictions set out by the competent authority.
- 3.4 the Board Chairman shall be paid an annual remuneration of SAR (60,000) and a monthly remuneration of SAR (10,000), against running and directing the affairs and works of the board and verifying his performance of his duties and responsibilities in the company Articles of association.
- 3.5 the Board of Directors shall approve the payment of the remuneration to the board members and committees, no need to refer to the General Assembly, on that all amounts paid to the board members shall be explained in the Board of Directors Annual Report which is submitted to the General Assembly, under the clause referred to in the Board of Directors Report, upon the instructions of The Capital Market Authority (CMA).
- 3.6 the Board of Directors member shall be permissible to get a remuneration against his membership in the auditing committee, or against works or executive, technical, administrative or consultative positions (as per a professional license), in addition to the remuneration of the membership of the Board and the Sub-Committees' thereof.

- 3.7 The remuneration of the independent members of the Board of Directors shall not be paid from the profits achieved by the company or to be based directly or indirectly on the company profitability.
- 3.8 the Board of Directors Report submitted to the General Assembly shall include a complete statement of all amounts paid to the Board of Directors members during the fiscal year, including remunerations, expenses allowances, and other allowances.
- 3.9 Also, it shall include a statement of the amounts paid to the board members, as employees and administrative and the amounts paid to them against technical, administrative or consultations works, as well as it shall include a statement of the board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
- 3.10 Upon a recommendation issued by Remunerations Committee, the Board of Directors shall determine a remuneration of the Board Secretary

4. The Remunerations of the Members of The Committees "the Board Sub-Committees"

- 4.1 Upon a recommendation issued by Remunerations Committee, the Board of Directors shall approve the remunerations of the memberships of the sub-committees, and the attendance allowances, as well as other dues, no need to refer to the General Assembly, on that all amounts paid to the board members shall be explained in the Board of Directors Annual Report which is submitted to the General Assembly, under the clause referred to in the Board of Directors Report, upon the instructions of The Capital Market Authority (CMA).
- 4.2 The remunerations of the memberships of the board sub-committees shall consist of an annual remuneration of SAR (130,000) for each member and an additional amount to the committee chairman of SAR (60.000) for the committees' chairmen.
- 4.3 The member shall be paid an allowance for attending each session of the sub-committees sessions equals an amount of SAR (2500)., in addition to an allowance for the expenses of travelling, stay, air-tickets and transportation of the members outside the city where the company head office is located.
- 4.4 On constituting the memberships of the board sub-committees, the number of committees in which the member can hold its membership shall be considered.

5. The Executive Management Salaries, Allowances & Remunerations:

- 5.1 Remunerations and Nominations Committee, shall execute periodical auditing, once per annum, of the salaries, allowances and remunerations of the senior executive officers, and the incentives programs and plans and issuing a recommendation regarding it to the Board of Directors.
- 5.2 The company shall grant the senior executive officers therein, according to the procedures and criteria approved by the Board of Directors, certain financial

allowances upon the salaries' scale of the company senior executive officers and its Policy approved in this regard, the remunerations of the Executive Management shall include the following:

- 5.2.1. Basic Salary – to be paid monthly.
- 5.2.2. Allowances, including but not limited to : housing allowance, transport allowance, telephone allowance, and children education allowance.
- 5.2.3. Medical Insurance for them and their families, . .
- 5.2.4. Short-Term Incentive Plans related to the individual and company performance and Long-Term Incentive Plans, such as shares' options Plans and otherwise.
- 5.2.5. Other allowances, including but not limited to: annual vacation, Air-tickets, travelling allowance, and Service-End Reward.
- 5.2.6. Any other remunerations & allowances against their works to be approved by the

6. The Table of the Board of Directors, the Sub-Committees & The Senior Executive Officers:

6.1. The following table shows the details of the remuneration type and the recommended one.

Table of Remunerations & Nominations of the Board of Directors Members & Its Sub-Committees	
Remuneration Type	The Recommended
Allowance of attending the Board sessions	the Board Member and the board secretary or the representatives thereof shall be paid an allowance of (5000) S.R. for each session of the board sessions and the allowance shall be paid to the invited members
Allowance of attending the Board Sub-Committees' sessions	The Committee Member and the Committee secretary or the representatives thereof shall be paid an attendance allowance of SAR (2500) , for each session of the Committee sessions paid
An Annual Remuneration of the Board Member	- An annual remuneration of the member shall be paid as minimally SAR (15000), One Hundred Fifty Thousand S.R., based on the number of the sessions attended by the board member and the total sessions held by the board during the relevant fiscal year. - the Board Chairman shall be paid an additional annual remuneration of SAR (60,000).

Housing, Transport & Pocket money Allowance for attending meetings and job tasks, if the member place of residence is outside the city where the meeting is held	- the Board / Committee Member and the board secretary or the representatives thereof shall be paid Transport Allowance equals the value of business class air-ticket, if his place of residence is outside the city where the meeting is held.
	- the Board / Committee Member and the board secretary or the representatives thereof shall be paid Daily Allowance equals SAR (3000), as a lump sum to be paid when attending outside the city where the meeting is held or job tasks or training and development courses in the Kingdom.
	- the Board / Committee Member and the board secretary or the representatives thereof shall be paid a daily allowance, including housing, transport & other pocket money allowance for attending meetings equals an amount of (15000) S.R., One Hundred Fifty Thousand S.R., if the meeting or the job tasks or the training and development courses is abroad, and One Day shall be added for travelling inside the Kingdom, and Two Days for abroad.
	- Providing travelling facilitations service for the Board / Committee Member, according to the company applicable Policy.

Participation / Attendance by the Board / Sub-Committee Member, if he is invited to discuss a certain subject, attending a Symposium requiring his participation, or a meeting of the company/ the Board /Committee Member, within his specialization to discuss a certain subject, or attending a Symposium	the Board /Committee Member shall be paid an attendance allowance of (2500) S.R., for each session of the Board / Committee sessions if he is invited to discuss a certain subject, attending a Symposium requiring his participation, or a meeting of the company/ the Board /Committee Member, within his specialization as approved, and it shall be established in the minutes of the meetings
Undertaking or executing technical, administrative or consultative works for the company or the Board /Committee, within his specialization, upon the request or approval of the board	the Board /Committee Member shall be paid an attendance allowance of SAR (5000). for each working day against executing administrative or consultative works for the company or the Board /Committee, within his specialization, upon the request or approval of the board, as well as the Board Chairman authorizing the power of approving tasks, not exceeding (25) Days, on that the remuneration per task shall not exceed SAR (50,000) Fifty Thousand, and maximally per annum the remuneration shall not exceed SAR (250,000) per member.

Health Services for the Board Members	Health Services shall be provided to the Board Member, his family and parents "optional for the member", within the allowed limit under Article (76) of Companies Law.
An Annual Remuneration for the membership of the Auditing Committee for those who are not members of the board	An Annual Remuneration shall be paid to the Auditing Committee member who is not a member of the board equals SAR (100,000) One Hundred Thousand S.R., and the Annual Remuneration shall be divided between two members in case of appointing an alternative member, according to the number of sessions attended by each member.
An Annual Remuneration for the members of the Board Subcommittees	An Annual Remuneration equals SAR (130.000) One Hundred Thirty Thousand shall be paid to each member who is not a member of the Board Subcommittees. As well, 130.000) One Hundred Thirty Thousand S.R. shall be paid for the membership in another committee of the board committees, and the Board Chairman shall be paid an additional annual remuneration of (60.000) S.R. Sixty Thousand S.R. and the Annual Remuneration shall be divided between two members in case of appointing an alternative member, according to the number of sessions attended by each member.
Dates of Paying The Annual Remuneration for the Memberships of the Board & its Committees	The Annual Remuneration for the Memberships of the Board & its Committees shall be paid to the members on a quarterly basis.
Date of Applying the Policy of Compensations & Allowances to the members of the Board & its Committees	The Policy of Compensations & Allowances to the members of the Board & its Committees shall be applied, effective from the starting date of the membership.

6.2. The following table shows the details of the remuneration type and the recommended one.

Table of Remunerations & Allowances of The Senior Executives	
Remuneration Type	The Recommended
Basic Salary – Allowances – Medical Insurance – Other Allowances	It shall be paid per the work contract, and under the laws and regulations of the regulatory authorities.
Short-Term Incentive Plans Long-Term Incentive Plans, such as shares' options and otherwise	It shall be paid upon a decision by the Board of Directors or by the Board Chairman, solely.
Other Remunerations & Allowances against their works not included in their work contract	It shall be paid upon a decision by the Board of Directors or by the Board Chairman, solely.

6.3. the Board of Directors shall authorize the Board Chairman to approve the above table.

7. The Authority Competent With Control or Supervision of this Policy :

Remunerations & Nominations Committee shall be competent with the periodical review and auditing of this Policy and evaluating its effectiveness in achieving its objectives, and this policy is deemed a document subject to updating and revising for coping with the changes occurred in the labor market and for achieving the company development and expansion.

8. General Provisions:

These policies and criteria shall be enforceable from the date of approval by the General Assembly and it shall replace the policies and criteria of the procedures of the Board membership which the General Assembly approves.

9. Application & Interpretation

These clauses of these policies shall be applied and interpreted in no contradiction to the Articles of Association, as well as any other regulations or policies approved by the Board, under Companies Law and The Capital Market Authority (CMA) laws and its executive regulations.

The words and terms mentioned in this plan and procedures shall mean the meanings indicated in the list of Terminology used in the Capital Market Authority (CMA) regulations and rules and the regulations of Corporate Governance issued by the Capital Market Authority (CMA) Board.

**Remunerations & Nominations Committee
Chairman**

Mr./ Sari Bin Ibrahim Al-Ma'ayouf

the Board Chairman

Mr./ Sultan Salahuddin Abdulazeem